The A. F. of L. Weekly News Service gives news accounts and editorial interpretations of matters affecting labor occurring in the industrial, legislative, and judicial fields, and renders other information of benefit to the trade union movement.

AMERICAN FEDERATION OF LABOR

WEEKLY NEWS SERVICE

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Two Decisions Involving Picketing Handed Down By U. S. Supreme Court

Picketing by Non-Employes Held Valid, But Use of Violence Justifies Injunction

Washington, D. C.—In two decisions of importance to organized labor the Supreme Court lifted one picketing ban imposed by an Illinois court because the union concerned had no members in the establishment picketed, and then upheld a proscription against picketing because it was accompanied by violence.

The injunction which the court knocked out had been issued against the American Federation of Labor Cosmetologists and Hairdressers' Union restraining it from picketing a beauty parlor with placards which it was alleged were false in its efforts to organize its employes. In thus holding the injunction the Illinois Supreme Court said that "peaceful picketing or peaceful persuasion are lawful when conducted by strangers to the employer—i. e., when there is not a proximate relation of employes and employers."

The Supreme Court, in a 6 to 2 decision, the majority opinion being written by Justice Frankfurter, disposed of this contention briefly:

"A State cannot exclude workingmen from peacefully exercising the right of free communication by drawing the circle of economic competition between employers and workers so small as to contain only an employer and those directly employed by him. The interdependence of economic interests of all those engaged in the same industry has become commonplace."

The two dissenters were Chief Justice Hughes and Justice Roberts.

In the second decision the court divided sharply five to three. The majority decision, written by Justice Frankfurter said the Illinois Supreme Court had acted properly in enjoining picketing by an American Federation of Labor teamster local to prevent the sale of cut-rate milk in Chicago. The major reason set forth by the Illinois court for granting the injunction was the violence alleged to have been resorted to in the picketing.

The union had set up the plea that the injunction impinged on the right of free speech on the basis of two decisions by the court a year ago upsetting picketing laws, in California and Alabama.

In the decision, Justice Frankfurter said: "We do not qualify" those former findings, adding "we reaffirm forbidding all picketing except an employer's place of business. Entanglement with violence was expressly out of those cases. The statutes had to be dealt with on their face and therefore we struck them down. . . . We would not strike down a statute which authorized courts of Illinois to prohibit picketing when they should find that violence had given to the picketing a coercive effect whereby it would operate destructively as force and intimidation. Such a situation is presented by the record."

The majority decision upholding the Illinois ban on picketing brought forth dissenting opinions from Justices Black and Douglas in combination and Justice Reed individually.

While not denying the right of the Illinois court to enjoin violence, Justice Black said that the injunction in this dispute clearly invalidated the right of free speech guaranteed by the Federal Constitution.

"This injunction, like a criminal statute, prohibits conduct under fear of punishment," he said. "There is every reason why we should look at the injunction as we would a statute, and if upon its face it abridges the constitutional guarantees of freedom of expression, it should be dismissed. Down the injunction, like a statute, stands as an overhanging threat of future punishment. The law of Illinois has been declared by its highest court in such manner as to infringe upon constitutional guarantees. And by this injunction that law as actually applied abridges freedom of expression.

"For this language is capable of being construed to mean that none of those enjoined can, without subjecting themselves to summary punishment, speak, write or publish anything, anywhere or at any time which the Illinois court—acting without a jury in the exercise of its broad power to punish for contempt—might conclude would result in discouraging persons from buying milk products of the complaining dairy. And more than that—if the injunction is so construed those enjoined can be sent to jail if they even threaten to write, speak or publish in anything like a libelous manner as to discourage prospective milk purchasers.

"But the injunction approved here does not stop at closing the mouths of the members of the petitioning union. It extends to the all-embracing sweep the spoken or written words of any other person who is • • • or hereafter • • • agree or arrange with them • • •. So, if a newspaper should "agree or arrange" with all or some of those here enjoined to publish their side of the controversy, they would be guilty of violating the "discourage" the sale of cut-rate milk, the publishers might likewise be punished for contempt. • • •

"It is on the basis of my study of the record that I rest my conclusion that the forfeiture of the right to free speech effected by the injunction is not warranted.

"In reaching this conclusion, I fully recognize that the union may be guilty of violence were subject to punishment in accordance with the principle of due process of law. And some of them have in fact been prosecuted and convicted.

"Punishment of lawless conduct is in accord with the necessities of government and is essential to the peace and tranquillity of society. But it is going a long way to say that because of the acts of those few who, 5,000 in number, of their union can be denied the right to express their opinion by the sweeping injunction here approved.

"Illinois, like all the other States of the Union, is part of a country democratic in spirit on the continued existence of which depends the right of free discussion of public affairs—a right whose denial to some leads in the direction of its eventual denial to all. I am of opinion that the court's injunction strikes directly at the heart of our government, and that deprivation of those essential liberties cannot be reconciled with the rights guaranteed to the people of this nation by their Constitution."

UNIONS CONSIDER INITIATION FEES

Miami, Fla.—Progress in the building trades affiliated with the American Federation of Labor in dealing with the initiation fees and dues of workers employed on national defense projects was indicated here in connection with conferences between Daniel W. Tracy, Second Assistant Secretary of Labor, with some of the building organizations.

It was reported that as a result of the conferences representatives of officers of the AFL Building and Construction Trades Department and the labor unions involved, a scheme is being considered whereby the "permit" system will be abolished by the union on government work.

This system calls for regular payments by a non-union employe who may be hired by a contractor holding a closed shop contract and whose labor requirements cannot be filled by the union. The non-union employes make their payments, which do not apply on their initiation fees. When the job is finished they have no further status so far as the union is concerned.

The plan now being discussed by the building unions is to have the non-union man pay a charge of $5 a week for the service rendered by the union on a union contract. The weekly sums would be applied toward his initiation fee if he wished to join the union.

E. J. Brown, president of the International Brotherhood of Electrical Workers, has been called in conference with fifty representatives from the Southern States at which he favored the fee proposal. He is planning more meetings to press for adoption of the idea.

CIO SABOTAGES LABOR DISPUTES ADJUSTMENT

Harrisburg, Pa.—Lewis G. Hines, State Secretary of Labor and Industry, charged the CIO in Pennsylvania with deliberately sabotaging voluntary plans for adjusting labor disputes in national defense industries.

Hines made the accusation after John A. Phillips, president, and Lester Thomas, secretary of the Pennsylvania Industrial Union Council, the State's CIO affiliate, declined to attend a conference in his office to discuss the plan.

The meeting, attended by more than 50 industrialists and American Federation of Labor representatives, was held in the North Office Building.

SUPREME COURT BARS FORD COMPANY APPEAL

Washington, D. C.—The Supreme Court refused to review a National Labor Relations Board order requiring the Ford Motor Company to cease interference with the collective bargaining rights of the company's employes and to reinstate with pay 23 employes who were dismissed in River Rouge in 1937 during a drive of the CIO auto workers to unionize plants.

The Supreme Court action leaves in effect the board's order which previously had been upheld by the Circuit Court of Appeals requiring the reinstatement of the employes. The Appeals Court held, however, that the company was within its rights in distributing among its employes circulars disparaging the union.

In a statement issued in Miami, Florida, William Green, president of the American Federation of Labor, predicted the Supreme Court's decision on the Ford Motor Company labor case would speed organization of the workers at Ford's River Rouge plant in an A. F. of L. union. Even though the case involved the right of Ford to reinstate CIO workers, Mr. Green said: "This won't keep us from organizing the 5,000 in the plant. In fact, it will strengthen our campaign, because it shows clearly the right of the men to organize and will encourage them to join.

"I interpret the decision as sustaining the National Labor Relations Board. It is entirely in accord with the spirit and letter of the act."

Anti-Strike Bills Are Denounced By A. F. of L. Official Magazine

Washington, D. C.—Congressional bills designed to forbid strikes on defense work are denounced as "abhorrent" and unconstitutional in the February issue of the American Federationist, official monthly magazine of the American Federation of Labor.

"The right to strike is an inalienable part of the Bill of Rights of American Labor," the Federationist points out. "Neither its suspension nor its restriction can or will be accepted by organized labor."

The magazine warns that the experiences of Canada, Australia, New Zealand and Kansas and Colorado all prove that "compulsion of labor breeds lawlessness."

Asserting that the alleged purpose of bills introduced by Representatives Vinson, Hoffman and Howard Smith is to assure continuity of defense production, the Federationist says:

"The record shows that restriction of the right to strike does not accomplish the stated aim.

It is pointed out that there is no reason why compulsory work propositions should be introduced. The American Federation of Labor's Building and Construction Trades Department and Metal Trades Department, as well as many individual A. F. of L. unions, have already signed voluntary no-strike policies, the Federationist recalls. It adds:

"Defense strikes have been few and short-lived. Their effect on production has been negligible."

During the first World War, says the magazine, the most ruthless suppression of the right to strike was effected in Germany. This caused unrest which, long before the final collapse of the Kaiser's armies, was assuming the proportions of nationwide revolt. This unrest, according to the article, speeded collapse of the German empire.

Concluding its discussion of the compulsory work proposals, the Federationist says:

"The conscription of forced labor was settled by the Civil War. The curtailment of the right to strike is an abhorrent to the Constitution as it is abhorrent to the American people.

"The right to strike is the inalienable part of the Bill of Rights of American labor. Neither its suspension nor its restriction can or will be accepted by organized labor.

"American can show to the world that the achievement of a free people through the contribution of free and unrestricted labor can far exceed the accomplishment of workers subjected to the whip of regimented compulsion, or of labor herded into concentration camps.

"American labor wants a chance to prove this and will prove it if given full cooperation by employers, by their acceptance of orderly, fair and voluntary collective bargaining. Labor asks management to grasp its hand firmly and honorably so that together they can show what a democracy can do."

Workers In All U. S. Navy Yards Insist On Higher Wage Schedules

Washington, D. C.—Demands for wage increases were presented to the Navy Department by delegates from every Navy Yard in the United States.

More than 400 delegates, including three representatives from the Metal Trades Council at each yard, conferred with Capt. L. M. Atkins, assistant director of shore establishments, and officers of the Navy Bureau of Yards and Docks which made a study of pay schedules last Summer for the Secretary of the Navy.

Acting on the findings of the Wage Board, Secretary Knox last Fall granted 44,000 increases and approved rates a total raise of $3,800,000 a year, but passed on over 50,000 unsettled craftsmen, the delegation pointed out. It was claimed the pay rates for these workers now are lower than workers get in most comparable private jobs, and unless they are raised, the delegates expressed their belief that the national defense program will suffer. They declared that skilled workers have quit the navy yards for jobs elsewhere because of the low rates, and emphasized the fact that the Government is experiencing difficulty recruiting mechanics and key skilled employes because of unattractive wage scales.

The wage increase ordered by the Secretary last Fall was the first wage change in eleven years and was made possible by an act of 1862 providing that wage rates shall be revised periodically to keep them in line with the prevailing wages in private industries in each community.

In addition to the delegates from the Metal Trades Councils, a number of officials of the metal trades international unions sat in the conference as observers. These included Joseph J. McDonagh, secretary-treasurer of the Metal Trades Department, which directed the delegation, and President Harvey W. Brown of the Machinists, who represented the Metal Trades Department also.

Other union leaders participating were President Harry Stevenson of the Molders; President George Q. Lynch, Pattermakers; Assistant President Jasper N. Davis, Boilermakers; Vice President John Pelcher, Blacksmiths; President A. P. Allfas, of the Machinists' Federal district, and Michael F. Gerrett, legislative representative of the Plumbers. International representatives of other unions also took part.

The battle will be carried further, it was announced, at another conference to be held soon between navy chiefs and international officers of the respective unions involved.

Industrial Democracy Is Mechanized By Union Label, Ornburn Declares

Washington, D. C.—The union label as the symbol of democracy in industry and one of the main supports of the American Federation of Labor in establishing and maintaining higher wages, shorter hours and better working conditions was emphasized by I. M. Ornburn, secretary-treasurer of the Union Label Trades Department of the A. F. of L., in a radio address delivered over the central labor network of the Columbia Broadcasting System.

In explaining the set-up and importance of the union label, Mr. Ornburn said:

"A union label is a cloth or paper label, stamp or other imprint placed upon articles produced by workers that they are made in shops, factories or other industrial establishments that have collective bargaining agreements with American Federation of Labor unions.

"To illustrate the extent to which union labels are used, let me cite that the Bakery and Confectionery Workers' International Union issues three and one-half billion union labels annually. If placed end to end, the would encircle the world one and one-half times each year.

"The union label gives assurance that products are not made in sweat shops or prisons by underpaid men and women workers. Labels in garments that the goods are made in America by labor unionists who receive decent wages, work reasonable hours and under good conditions. The union label is the trade-mark of the American Federation of Labor."

UNIONS BACK CAMPAIGN TO AID BRITISH LABOR

New York, N. Y.—With the bulk of the A. F. of L. national and international unions already sponsoring the newly-formed American Labor Committee to Aid British Labor, Matthew Woll, vice-president of the A. F. of L. and Chairman of the Committee, appealed to the 800 central labor bodies throughout the country, affiliated with the A. F. of L., to give "full support" to its campaign.

William Green, president of the A. F. of L., is honorary chairman of the committee and consented to serve as its honorary chairman.

The organizing material aid to the victims of axis horror raids," Mr. Woll said in his appeal to the central labor bodies, "we feel that British Labor will understand the measure of our sympathy and will be fully aware of the knowledge that the workers of America stand behind them in their unyielding struggle."

The new committee was initiated by the League for Human Rights, Freedom and Democracy, in response to the eloquent appeal made by Sir Walter Citrine, General Secretary of the British Trades Union Congress, at the recent convention of the A. F. of L. and subsequently at a luncheon in New York, tendered him by the League, attended by some two hundred labor leaders of the metropolitan area.

The committee was welcomed by Winston Churchill, British Prime Minister, through the British Embassy in Washington, with the statement "No assurances of relief and other aid are more gratefully received than those from a League dedicated to the preservation of life and liberties of those who labor."

The League and the new American Labor Committee to Aid British Labor are both headed by Mr. Woll and will cooperate in various ways to save overhead expenses for the committee.

$375,000,000 MORE URGED FOR FEDERAL WORK RELIEF

Washington, D. C.—The Appropriations Committee reported to the House of Representatives a bill appropriating $375,000,000 to continue Federal work relief through the last four months of the current fiscal year ending June 30, to be administered through the Work Projects Administration.

The relief requests increased to $1,250,000,000 the cost of the program for 1941 and provided enough funds to continue operations from March through June with 1,750,000 cases on the rolls. By June 30 the list is expected to be reduced to 1,300,000 largely through increased industrial activities resulting from the defense program.

News Briefs

Mrs. Roosevelt Takes Side of Leviton Strikers

Warm-hearted, courageous Eleanor Roosevelt has demonstrated again that she deserves the love and esteem of the people of the world.

The other day she interrupted a speaking tour with a stop at New York to address 1,200 men and women who have been on strike since last August against the wage conditions imposed on them by the Leviton Manufacturing Company. She told them of her sympathy with them in their struggle. Said Mrs. Roosevelt:

"I have always been interested in organization for labor. I have always felt that it was important that every one who was a worker should join a labor organization because the ideals of the organized labor movement are high ideals. They mean that we are not selfish in our desires. That we stand for the good of a group as a whole as well as for each one of us. In the United States are learning every day that we must be unselfish as every citizen.

"I could not help thinking as we sang 'God Bless America,' that you who have been hardship for so many seasons in your fight for better conditions must sometimes think that many things are not as they should be in this country. I am afraid that agree with you."

Wrong Way" Arnold Is Completely Confused

Organized labor always has thought that Thurman Arnold, Assistant Attorney General Thurman Arnold was headed in the wrong direction with his campaign of prosecution against labor under the anti-trust laws. And the night after the Supreme Court handed down its momentous decision blasting Mr. Arnold's campaign into smithereens, the muddle-headed prosecutor vowed that his suspicions were well founded.

Mr. Arnold boarded a train in New Haven for Washington but woke up the next morning in Boston. Apparently the Supreme Court decision put him into a total state of confusion.

WAGE-HOUR RULING LAUDED BY FLEMING

Washington, D. C.—The Supreme Court's decision upholding the constitutionality of the wage-hour law was "highly gratifying," labor contractor Philip B. Fleming as a "go ahead" signal to plans for increasing the wages of thousands of workers.

The court's unanimous opinion, he said, "removes any doubt" concerned already effective, amounting to $100,000,000 annually.

The act now calls for a 30-cent minimum hourly wage and a forty-hour week for firms operating in interstate commerce. In addition, the court sustained the validity of a 32½ cent wage minimum for the cotton textile industry, established by special procedure set up in the act.

"We estimate that the 30-cent minimum hourly wage has increased by envelopes about $65,000,000," Mr. Fleming said. "Our wage orders, now in operation, call for 32½ to 40 cents an hour, account for an additional $35,000,000.

These wage orders cover the making of cloth and clothes, including shoes, paper and leather. A $7,000,000 increase will cover railroad workers is to go into effect March 1."

Mr. Fleming said economic studies now under way will result in a general way "for eventual establishment of minimum wage rates ranging 40 cents an hour in every interstate industry employing a considerable number of wage earners. This includes workers getting less than 40 cents an hour." Special industry committees to bring about these increases will be appointed "as fast as possible," Mr. Fleming promised.

FORTY-CENT MINIMUM PAY ASKED FOR DRUGS WORKERS

Washington, D. C.—The Industry Committee created under the Wage and Hour Law to determine a minimum wage for the drug, medicines and toilet preparations industry decided in favor of a uniform 40-cent minimum which when embodied in a wage order will become effective for an industry employing more than 44,000 workers.

The basis for the 40-cent minimum, the highest minimum which can be established under the Wage and Hour Law, was laid by the American Federation of Labor representatives who served as employe-members on the committee. These included Mr. H. A. Bradley, president of the International Council of Industrial Workers Industries Unions, Boris Shishkin, American Federation of Labor economist, and Leonard J. Buckley, president of Cosmetic Makers Union No. 21159 of Kansas City, Missouri.

Workers in the low paid drug and cosmetic manufacturing plants in the South will benefit most from this determination. The 30-cent minimum wage which is now being paid in a large number of southern plants will be brought up to 40 cents when the wage order goes into effect, an increase of 33.3 per cent.

CIO Strikes In Defense Industries Draw Attack From President Green

RULES CHANGED BY LABOR BOARD

Washington, D. C.—Drastic changes in the administration and procedure of the National Labor Relations Board, changes which were shelved when the Wagner-Smith majority was in control of the board, have now been made effective.

Under Dr. Harry S. Millis, the new chairman, the changes, designed to improve and speed the board's operations, have been being effected by the newly appointed personnel.

The office of executive secretary, recently vacated by Nathan Witt and which long had been the "bottleneck" of the board, now performs the routine duties of an office manager. Its other duties have been dispersed and decentralized.

The review attorneys, many of them young and inexperienced law school graduates, will no longer report orally to the board nor will they exercise any considerable latitude in preparing board opinions. They will have to make written memoranda of their case reviews, which the board will compare with the data furnished by the trial examiners and their assistants.

Considerable criticism had been directed at the board's practice in building up a Review Division of more than one hundred lawyers, most of them young men and women, and having them pass on the work of the older and more experienced trial examiners. This division has been reduced by more than 50 per cent in recent months. The method of review of records of hearings has been changed so as to throw greater responsibility on the trial examiners.

The board has set up a new administrative division to direct and supervise the work of the twenty-two regional offices and to oversee the issuance of complaints and authorization of proceedings in representation cases.

This division will report to and be responsible directly to the board. More than a year ago a committee of the American Federation of Labor recommendations for setting up such a division. No attention was paid to this for months and then the majority of the board, over the protest of Dr. Leiserson, removed some of the duties suggested by the regional directors to a newly created chief administrative examiner, who was placed in the directly under Secretary Witt, the protege of the majority.

3,750,000 Idle Got Work In 1940 Through State Employment Offices

Washington, D. C.—The Federal Security Agency reported that placements of workers in private industry by the various State employment offices totaled 3,200,000 persons in 1940, an all-time high since the service was established in 1933. To this total was added the placement of 557,000 persons in public employment.

The number of jobs filled in private industry was 20 per cent higher than in 1939 and reflected the increased use of public employment offices in recruiting labor for defense and other industries.

Public placements remained low in spite of increases during the last few months, largely because of the end of the contraction in public works program during the year.

Counting both public and private placements, an increase of nearly 9 per cent was recorded over 1939.

After reflecting the increased use of State employment offices was the fact that during 1940 the number of new applications for work totaled more than 16,500,000, the largest number received in any one year in the history of the service.

Unemployment compensation activities also reached a new high mark in the year, in spite of the higher employment level of employment. The monthly volume of unemployment benefits, however, was considerably lower in the second half of the year as compared with the first half.

Benefit payments for the year totaled more than $520,000,000, an compared with $430,000,000 in 1939. Payments in 1940 represented an increase of 21 per cent over 1939 for the forty-nine jurisdictions which paid benefits during both years. It was estimated that some 8,000,000 individuals received at least one benefit payment during 1940, as compared with 4,800,000 in 1939.

Figures on December, 1940, activities showed that more than 977,000 placements were made by the State employment offices, a rise of 8.5 per cent over November and 25.6 per cent over December, 1939. Also reflecting the increased use of public employment offices was the fact that during 1940 the number of new applications for work totaled more than 1,650,000, the largest number received in any one year in the history of the service.

EFFICIENCY CLAUSE GAINS IN N. Y. DRESS INDUSTRY

New York, N. Y.—It was announced here that three of the five employer associations in the $350,000,000-a-year dress industry had reached a tentative agreement with the Dress Joint Board of the International Ladies' Garment Workers Union on basic provisions of a new collective bargaining contract, including measures to enforce efficient management.

The accord lessened the possibility of any interruption of production in the city's largest industry and represented the second victory for the union in its campaign to establish New York as "the style capital of the world." The agreement also was agreed previously to contribute $1,000,000 toward a $1,500,000 promotion fund intended to stimulate the demand for New York-made dresses.

In demanding a voice in the fixing of management standards the union pointed out that the earnings of workers paid on a piece-rate basis were kept low by faulty plant organization, inadequate equipment and other manifestations of laxity on the part of the employer.

Also Assails CIO Groups Opposing Lend-Lease Bill, Which the AFL Favors

Miami, Fla.—A strongly phrased condemnation of the Congress of Industrial Organizations for calling strikes in national defense industries was made here by William Green, president of the American Federation of Labor, at the opening session of the mid-winter meeting of the A. F. of L. Executive Council. Mr. Green recalled in comparison, the pronouncement made by the Federation's Building and Construction Trades Department against such work stoppages.

Among the C. I. O. defense industries strikes he mentioned were those at the Allis-Chalmers and International Harvester plants. By contrast, he said, there on record showed that the no-strike policy of the A. F. of L. has been closely followed."

In connection with the Allis-Chalmers strike he pointed out that Harold Christoffel, president of the United Automobile Workers of C. I. O. local at the Milwaukee plant, also was president of the Milwaukee C. I. O. Industrial Council, comprising the C. I. O. locals in Milwaukee.

Several weeks ago Mr. Green said, the latter organizations adopted a resolution "denouncing the government's defense program and opposing the lease-lend bill."

"This is an accord with Communist party policy," Mr. Green added. "Most C. I. O. councils have declared themselves in the same way as the Milwaukee Council. So far as I know they have sent no representatives voluntarily to Congress to favor the bill. It is significant in fact that our A. F. of L. bodies are supporting the government wholeheartedly in its defense program and we have officially advised Congress we support the lease-lend bill."

Mr. Green also announced that the Executive Council would give consideration to pending legislation before Congress designed to regulate the relations of employes and employers in the defense industries program.

He said the Council had designated a committee composed of George Meany, secretary-treasurer of the A. F. of L., Matthew Woll, and G. M. Bugniazet to submit a statement to the Council on the proposed legislation covering the bills introduced by Representative Carl Vinson of Georgia, Representative Clare E. Hoffman of Michigan, and Representative Howard W. Smith of Virginia.

FDIC PROTECTS 1,131,693 CLOSED BANK DEPOSITORS

Washington, D. C.—There were 1,133,379 depositors of banks closed or merged with Federal Deposits Insurance Corporation financial aid in the calendar year 1940, to all but 1,686 of whom full protection was granted, the FDIC announced. The total deposits of these banks were $438,625,000, of which nearly 98 per cent was promptly made available to depositors. All deposits up to $5,000 were insured by the agency.

Disbursement for the protection of depositors in insolvent or endangered banks from the beginning of insurance of deposits on Jan. 1, 1934, to the end of 1940 amounted to more than $72,000,000, the report said, of which it is estimated that 80 per cent will be recovered.

"Having cared for all the serious hazards known to exist in the banking system," the report added, "the corporation continues to supervise carefully the operations of insured banks, bringing about correction of unsound policies or practices that are found to exist, before these weaknesses involve sizable disbursements for the protection of depositors.